

POLICE & FIRE RETIREMENT SYSTEM
BOARD OF TRUSTEES
CITY OF GRAND RAPIDS
MICHIGAN

MINUTES
REGULAR MEETING
SEPTEMBER 21, 2022 – 9:39 a.m.
233 East Fulton

The meeting was called to order by Chairman Michael Hawkins. Other members present: Vice Chairman Craig VanderWall, Mr. Philip Balkema, Mr. Phillip Mitchell, Ms. Donijo DeJonge, and Mr. Justin Ewald. Absent: Mr. Nathaniel Moody.

Also present: Ms. Peggy Korzen, Executive Director of the Retirement System, Mr. Thomas Michaud, Legal Advisor to the Board, Mr. Jason Druckenmiller and Mr. William Fabiano.

Ms. DeJonge made the motion to excuse the absence of Mr. Moody. The motion was seconded by Vice Chairman VanderWall and carried.

There were no public comments regarding agenda items.

Moved by Mr. Balkema and seconded by Mr. Ewald, the following administrative items were approved by the Board of Trustees:

- Minutes of the regular meeting of August 17, 2022.
- Purchase of credited service by the following Police & Fire Retirement System member. All calculations have been prepared by this office and verified by the actuary.

William F. Race \$46,852.12 24 months

- The following Resolution No. 858.

WHEREAS, the Board of Trustees of the Police and Fire Retirement System has received a request for one Deferred retirement from the following member of the plan:

Deferred Retirement:

Michael L. Mesman, will retire October 1, 2022 from the Police Department as a Police Officer,

Credited Service: Thirty-one years and one month

Pension: \$5,561.31.

RESOLVED, that the retirement be approved.

- KEIP participant: The Board of Trustees of the Police and Fire Retirement System has received a request by one member of the plan to enter the KEIP Program:

KEIP Entry

William F. Race, Fire Chief-Training

KEIP Date: September 15, 2022
 Tentative KEIP End Date: September 14, 2024
 KEIP Benefit: \$7,213.73

- Payment of administrative expenses of \$2,906.26 for the period 08/01/22 – 08/31/22.
- **Investment Manager Fees:** Listed below is a routine invoice for the quarter ending 06/30/22. All calculations, fees applied, and stated amounts under management have been verified by the Retirement Systems Office staff as correct:

\$40,317.69 – Western Asset Management (Fixed Income)

- **Custody Fees:** The attached invoice from Northern Trust divides the quarter ending 09/30/22 fee as follows:

Benefit Payments	\$4,781.27
Custody	<u>\$8,125.00</u>
Total	\$12,906.27

The motion carried.

Ms. Korzen next presented a report of Cash Account transfers for the period 10/01/22 – 12/31/22. The Retirement Systems Office staff projected a need for \$3,900,000 to be transferred to the cash account as follows: \$1,300,000 on October 3rd, \$1,300,000 on November 1st and \$1,300,000 on December 1st. Ms. Korzen recommended, and Wilshire Associates agreed, making the transfers as follows:

October 3 rd	Harvest Fund Advisors	\$1,300,000
November 1 st	To be determined	\$1,300,000
December 1 st	To be determined	<u>\$1,300,000</u>
Total		\$3,900,000

The report was received and filed by the Chairman. (Cash Account Report found on page)

Ms. Korzen presented the Public Act 314 Asset Analysis showing a market value of \$486,271,885 on July 31, 2022. The report was received and filed by the Chairman. (Analysis found on page)

Trustees reviewed an Eligible Domestic Relations Order (EDRO) for Mr. Jeffrey A. Martin. Ms. Korzen stated that an EDRO has been filed to assign a portion of Mr. Martin’s retirement benefits to an alternate payee, Stormey Martin, in accordance with the Eligible Domestic Relations Order Act. The EDRO has been reviewed by legal counsel and the actuary and complies with the Police & Fire Retirement System plan provisions. The EDRO will become part of Mr. Martin’s file and will be paid according to its provisions. The order was received and filed by the Chairman.

Ms. Korzen next addressed the 13th Check calculations by noting that the five-year average book value rate of return was 7.05% for the Police & Fire Retirement System. Per City Code, in order for a 13th Check to be issued, the five-year average market value rate of return must exceed 8.0%. Therefore, there are not sufficient reserves to issue a 13th Check on January 31, 2023. Vice Chairman VanderWall made the motion to accept the report on the January 2023 13th Check. The motion was seconded by Mr. Ewald and carried.

The Executive Director next presented the appeal of the denial of the duty disability retirement request from Fire Lieutenant Jason A. Druckenmiller. Chairman Hawkins suggested going in to closed session to discuss the application, as this contains information that is exempt from the Freedom of Information Act and is also

medically privileged, and to include Mr. Druckenmiller, Mr. Fabiano, Ms. Korzen, Mr. Michaud, and Ms. Balkema. Roll call vote: yeas: 6, nays: 0. Trustees concluded their closed session and re-entered open session. Chairman Hawkins commented that Trustees have decided to table this issue as they have requested additional information from Mr. Druckenmiller regarding the appeal. Once the information has been received, along with further clarification from the medical committee, this issue will be discussed at a future Board meeting.

There were no public comments on items not on the agenda.

Ms. Korzen noted that the Annual Accounting for the General Retirement System for the period 07/01/21 – 06/30/22 was ready to be reviewed as well as the Annual Accounting for the Police & Fire Retirement System for the period 01/01/21 – 12/31/21. She noted that it was decided by Trustees to review the Annual Accountings of both retirement systems at the same time each year, and therefore a committee should be established. Mr. Mitchell and Mr. Ewald volunteered to serve. Ms. Korzen noted that she will post the accounting on the secure board site for review and the Trustees will report their findings to the Board at a future meeting.

The meeting adjourned at 10:23 a.m.

The next Police & Fire Retirement System Board Meeting will be held Wednesday, November 16, 2022, at 8:00 a.m., 233 E. Fulton, Suite 216, Grand Rapids, Michigan.

Peggy Korzen
Executive Director
Police & Fire Retirement System